

**Senator McCain's Statement**  
**Hearing CEO's of Major Tobacco Companies**  
**February 24, 1997**

This hearing is one in a series of hearings to examine the proposed global settlement of tobacco litigation. The purpose of this hearing is to gain the perspective of the tobacco companies on that proposed settlement and on related tobacco issues of profound concern to the country.

The proposed settlement is built around a central premise: the tobacco companies would receive certain limitations of liability in exchange for payments numbering in the hundreds of billions of dollars and the imposition of various limitations on the advertising, marketing and sale of tobacco products. This trade-off would provide a revenue stream which could be put to a number of uses, including the funding of health research, counter advertising campaigns, smoking cessation programs, and the compensation of those injured through the use of tobacco products.

Also underpinning this settlement is the stated desire of the major tobacco companies to take a new approach to their business practices. This is the idea that the proposed settlement involves a change in the culture of the tobacco companies. We all welcome that change. In fact, the public demands it.

The recent release of various internal tobacco documents makes it clear that in the past the tobacco companies have not been forthright. Despite the industry assurances and testimony to the contrary, we now know that the tobacco companies have long known that nicotine is addictive, that smoking damages one's health, that there are ways to enhance the nicotine kick in cigarettes and that marketing programs have been targeted at kids. The tobacco companies simply must face the fact that because of your industry's history you have a significant credibility problem. The American public, and this Committee, deserve the truth. We expect it and we demand it.

Whatever the scope of tobacco legislation, our primary goal is clear and unambiguous; to dramatically reduce tobacco use by children. I will consider potential tobacco legislation a failure if we are not confident it will achieve significant reductions in youth smoking. I also believe this Committee and the American people are in agreement on this goal.

I look forward to a critical analysis of the many questions posed by tobacco legislation. I thank the CEOs for coming to this hearing. I look forward to your testimony and to the

discussion that follows.